

JB0101A
State Highway Administration
Maryland Department of Transportation

Capital Budget Summary

Grant and Loan *Capital Improvement Program*
(\$ in Millions)

| <i>Program</i> | <i>2014 Approp.</i> | <i>2015 Approp.</i> | <i>2016 Request</i> | <i>2017 Estimate</i> | <i>2018 Estimate</i> | <i>2019 Estimate</i> | <i>2020 Estimate</i> |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|-----------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|

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|---|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|
| State Highway Administration Total Daily Maximum Load | \$0.000 | \$45.000 | \$65.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total | \$0.000 | \$45.000 | \$65.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

| <i>Fund Source</i> | <i>2014 Approp.</i> | <i>2015 Approp.</i> | <i>2016 Request</i> | <i>2017 Estimate</i> | <i>2018 Estimate</i> | <i>2019 Estimate</i> | <i>2020 Estimate</i> |
|---------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
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|--------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|
| GO Bonds | \$0.000 | \$45.000 | \$65.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total | \$0.000 | \$45.000 | \$65.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

GO: general obligation

Summary of Recommended Bond Actions

1. Chesapeake Bay Restoration Plan State Highway Administration Total Maximum Daily Load Project

Delete State Highway Administration Chesapeake Bay Restoration Plan Total Maximum Daily Load project in its entirety.

Program Description

Program Description: Construct projects to improve water quality in Anne Arundel, Baltimore, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George’s, and Washington counties to reduce the effect of runoff from impervious portions of the State’s highway system using structural and nonstructural methods. These projects are part of the effort to help Maryland meet the U.S. Environmental Protection Agency’s (EPA) Chesapeake Bay Total Maximum Daily Load (TMDL) requirements by the year 2025.

Comment: As required under the federal Clean Water Act, EPA established the Chesapeake Bay TMDL in December 2010 and required bay jurisdictions to develop Watershed Implementation Plans (WIP) that identify the measures to be put in place to reduce pollution and restore the bay. The State Highway Administration’s (SHA) WIP will reduce the effects of stormwater runoff from impervious surfaces by reducing nutrients and sediment loadings to local waters and the Chesapeake Bay.

This funding requested through the State’s general obligation (GO) capital program would supplement funding provided through the Transportation Trust Fund (TTF). The fiscal 2015 through 2020 *Consolidated Transportation Program* for SHA has \$598.9 million in TMDL spending programmed, of which \$92.5 million is programmed for fiscal 2016.

Chapter 429 of 2013 (Transportation Infrastructure Investment Act) requires a total of \$395 million to be appropriated through the State operating or capital budgets in the fiscal 2015 through 2019 to assist SHA in funding TMDL projects in its WIP. The Budget Reconciliation and Financing Act of 2015 (BRFA) includes a provision that requires the appropriations to be provided from the TTF. The fiscal 2016 GO bond authorization in the capital bill includes language eliminating the authorization contingent on passage of the BRFA provision.

The TTF six-year forecast assumes that the fiscal 2016 mandated appropriation will not be made, but this assumption is not carried through the remainder of the forecast. As a result, should the BRFA provision be enacted, the \$285 million in mandated TMDL funding required in fiscal 2017 through 2019 would require SHA to eliminate or delay an equal amount of currently scheduled capital project spending.

Issues

1. *Capital Improvement Program Does Not Include Mandated Funding*

The *Capital Improvement Program* (CIP) does not include the fiscal 2017 through 2019 mandated funding required by Chapter 429 of 2013. While the Administration is proposing that State operating or capital appropriations no longer be required for this purpose, unless and until the BRFA provision removing this requirement is enacted, the mandated funding should be reflected in the CIP. **The Department of Budget and Management should indicate to the committees how the mandated appropriations will be accommodated in the CIP, including a list of specific GO bond**

projects to be deferred in order to make room under the recommended borrowing limits and/or a revised general fund forecast if the mandated funding is to be provided through the operating budget.

GO Bond Recommended Actions

1. Delete State Highway Administration Chesapeake Bay Restoration Plan Total Maximum Daily Load project in its entirety.

| | | |
|---------|---|---------------|
| JB0101A | Chesapeake Bay Restoration Plan State Highway Administration Total Maximum Daily Load Project.... | \$ 65,000,000 |
|---------|---|---------------|

Strike the following language:

~~DEPARTMENT OF TRANSPORTATION~~

~~JB01.01 STATE HIGHWAY ADMINISTRATION
(Statewide)~~

~~(A) Chesapeake Bay Restoration Plan State Highway Administration TMDL Project. Provide funds to design, acquire rights of way, and construct projects to improve water quality in Anne Arundel, Baltimore, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, and Washington counties to reduce the effect of runoff from impervious portions of the State's highway system using structural and nonstructural methods, as provided in the State Highway Administration Watershed Implementation Plan (WIP). This authorization is contingent upon the failure to enact legislation during the 2015 General Assembly Session to alter or remove the requirement of § 8-613.3 of the Transportation Article that the Governor appropriate WIP funds to the State Highway Administration to comply in fiscal year 2016. If legislation altering or repealing the mandate to fund WIP is enacted, this authorization shall be null and void without the necessity of further action by the General Assembly~~

~~65,000,000~~

Explanation: Fiscal 2016 Watershed Implementation Plan funding is included in the Maryland Department of Transportation's Transportation Trust Fund forecast; therefore, general obligation funding for this purpose is not needed in fiscal 2016.